

**MINUTES OF THE
BUDGET COMMITTEE**

WEDNESDAY, AUGUST 15, 2007

At a meeting of the **Budget Committee**, held Wednesday, August 15, 2007, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Brdak, Bruley, Camphous-Peterson, Crouchman, DeSaele, DiMaria, Doherty, Drolet, Duzyj, D. Flynn, J. Flynn, Lund, Mijac, Rengert, Roberts, Rocca, Sauger, Slinde, Switalski, Tocco, Torrice and Vosburg.

Absent and excused were Gielegthem, Haggerty and Szczepanski.

There being a quorum of the committee present, Chair Brown called the meeting to order at 9:03 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Camphous-Peterson, supported by DeSaele, to adopt the agenda, as amended (to include item #9A). **The Motion Carried.**

MINUTES

MOTION

A motion was made by Camphous-Peterson, supported by Duzyj, to approve the July 24, 2007 minutes of this committee, as written. **The Motion Carried.**

RECEIVE AND FILE PRESENTATION ON MACOMB COUNTY'S PARTICIPATION IN A NEW REGIONAL WATER AUTHORITY STUDY (KAREGNONDI WATER AUTHORITY)

(Note: Action was taken on this item; see page 2)

Contained within committee packets was a copy of the signed agreement between Oakland and Genesee counties to create an authority to study the feasibility of a new regional water supply system. They have issued a Request for Qualifications. It is their hope to have Macomb County and other counties within the region join in this study. The anticipated cost is approximately \$250,000. Both counties have appropriated a not to exceed amount (per county) of \$125,000 to cover the cost.

Oakland County Drain Commissioner John McCulloch introduced representatives from his office that were in attendance: Mr. Joe Colaianne, Attorney & Insurance Administrator and

Mr. Doug Buchholz, Manager of Operations and Maintenance. Also present were representatives from Genesee County: Mr. John O'Brien, Deputy Drain Commissioner and Director of Water & Waste Services and Mr. Dave Jansen, his assistant. Genesee County Drain Commissioner Jeff Wright was not able to attend today's meeting.

Mr. McCulloch spoke about a few major occurrences that have prompted them to want to undertake this study on behalf of Oakland County and join ranks with Genesee County.

1) The Blackout caused a lot of concern to put so much reliance on one major provider in the region. 2) There has been prompting, not only from the state agency, but from Detroit's Water and Sewer Master Plan that has called for a redundant or backup system for this region. 3) Oakland County undertook (through his office) a comprehensive Master Plan that looked at water and waste water needs on behalf of their 61 communities. It has proven the need for a backup or redundant system. And, there are health concerns with high levels of arsenic in the groundwater for those residents that service is currently not provided.

Mr. O'Brien stated that Genesee County is not a contract member with the City of Detroit. They are a third-party to a contract with the City of Flint. The City of Flint has a franchise over Genesee County. They are currently operating off of one water main across the northern tier of Macomb and Oakland. They own approximately 250 acres of land on Lake Huron at the St. Clair/Sanilac County line. Back in 2002, the City of Detroit published their 50-Year Master Plan, and as part of that Master Plan was a second loop, or second feed, to the Genesee County area. The City of Detroit's projected installation date is 2040.

Mr. McCulloch noted that they are trying to finalize who wants to participate in this particular study. They met with Commissioner Marrocco and members of his staff last week and he seems very supportive of this endeavor. He informed commissioners that waste water is not part of this study. They are dealing strictly with drinking water.

A lengthy discussion ensued with Mr. Marrocco, Mr. McCulloch, and Mr. O'Brien about the possibility of having Lapeer County, Sanilac County, and St. Clair County participate in the study, what additional counties may join in, when the study would be started, the intent to have the report done by next year, if there would be a reduction in the cost of the study if more counties join in, and defining service areas.

Inquiry was made if Corporation Counsel reviewed the agreement. Mr. Brumbaugh said that the agreement provided was one between Genesee and Oakland. According to that agreement, there would have to be another addendum to it to include Macomb County.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY LUND, SUPPORTED BY SAUGER, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS AUTHORIZE MACOMB COUNTY'S PARTICIPATION IN A NEW REGIONAL WATER AUTHORITY STUDY (KAREGNONDI WATER AUTHORITY) AND ALLOCATE UP TO BUT NOT EXCEED \$125,000. MONEY TO BE TAKEN FROM THE CONTINGENCY ACCOUNT.

Other areas of discussion included: If access to the Port Huron water intake is owned by the Detroit system and guaranteeing access to it, Sanilac County being the farthest point North that the Detroit Water System serves, wells and septic systems, if this study will only include communities North of M-59 or if it will be a countywide study, if the study will incorporate systems in Macomb County that are already in place, which communities currently fall under the Detroit system, and within Detroit's 50-Year Master Plan if there is an intent to expand capacity in the northern end of Macomb, particularly using the intake that they own on Lake Huron.

During discussion, it was noted that the customers this potentially would service are not in the Detroit system presently. The anticipated population that would be served by this new system would be about a half million out of Oakland, approximately 400,000 out of Genesee, and an estimate of 250,000 out of Macomb.

Commissioner Mijac thought for future meetings or for reference that providing a map of Southeast Michigan showing which communities among the counties are part of which systems and which populations would be helpful.

Commissioner Bruley expressed concern that this agenda item was presented as a receive and file and all of the sudden this committee is voting on a study. There is no contract language and this agreement does not include Macomb County. He felt if a community wishes to go into this, that this is something that communities could decide -- water, rates and all those things are done at a township or city level -- they are not done at the county commission level. He felt this agenda item should be delayed and if the proper paperwork and agreements and rest of it that answers a lot of these questions are provided then the Board can proceed.

During discussion, Mr. Brumbaugh indicated if this is approved today that the documents would be created which would incorporate an addendum to the contract which would go through the usual review process. He thought the final agreement would probably come back before the Board in September. Chair Brown said that he would put this on his September agenda, assuming it is ready from Corporation Counsel.

A friendly amendment by Commissioner Doherty was accepted as follows: "Subject to approval of a final agreement."

During discussion, Mr. O'Brien informed commissioners that they are under mandate from the state to get a second water source in -- whether they get the Detroit line in or they build a separate one.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION, AS AMENDED, AS FOLLOWS:

VOTING YES WERE BRDAK, BROWN, CAMPHOUS-PETERSON, CROUCHMAN, DeSAELE, DiMARIA, DOHERTY, DROLET, DUZYJ, DAVID FLYNN, JOAN FLYNN, LUND, MIJAC, RENGERT, ROBERTS, ROCCA, SAUGER, SLINDE, SWITALSKI, TOCCO, TORRICE AND VOSBURG. THERE WERE 22 "YES" VOTES.

VOTING NO WAS BRULEY. THERE WAS 1 "NO" VOTE.

THE MOTION CARRIED.

Chair Brown stepped down from the Chair at 10:25 a.m.

Vice Chair Sauger took the Chair.

RECEIVE AND FILE PRESENTATION ON USER FEE STUDY OF THE DEPARTMENTS OF HEALTH, PLANNING, AND SHERIFF

A 21-page spiral binder entitled, Macomb County User Fee Study was distributed. It was prepared by Public Financial Management.

Chair Brown took the Chair at 10:27 a.m.

Mr. Foster indicated if all the fees identified were implemented that approximately \$380,000 will be raised by the county and if all the initiatives were input, another \$147,000 is potential revenue. A lot of these fees will be implemented January 1st. His recommendation is to go through the review this month, come back next month with recommendations for implementation, along with the 2008 Budget.

Mr. Robert Winthrop from Public Financial Management referred to the handout and gave a PowerPoint presentation.

MOTION

A motion was made by Vosburg, supported by Rengert, to receive and file the presentation on User Fee Study of the departments of Health, Planning, and Sheriff as prepared by Public Financial Management and to defer the adoption of any fee increases to the September, 2007 Budget Committee.

Commissioner Vosburg referred to page 12 of the handout which spoke about adding a new fee if the Planning Department has to do additional work. She inquired as to who would collect the fee and which department would get it. Mr. Winthrop thought it would have to be negotiated and determined with the County Clerk. Mr. Foster said that they will have to work that out who actually collects the fee.

Commissioner Drolet inquired as to what percent of fees in Macomb County actually generate more revenue than the cost of providing the service. Mr. Winthrop thought 10% to 15%. Commissioner Drolet hoped the Board in reviewing this and making adjustments would also look at reducing the fees where the county is charging people too much for the service they are receiving.

Chair Brown called for a vote on the motion and **The Motion Carried.**

**AWARD PHASE II JUVENILE JUSTICE CENTER RENOVATION BID TO BERNCO, INC.
AND PLACE A MORATORIUM ON NEW CAPITAL IMPROVEMENT PROJECTS FOR
THE REMAINDER OF 2007**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY RENGERT, SUPPORTED BY CAMPHOUS-PETERSON, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR IN THE RECOMMENDATION OF THE ARCHITECT, WAKELY AND ASSOCIATES, AND AWARD THE PHASE II RENOVATION OF THE JUVENILE JUSTICE CENTER TO THE LOW QUALIFIED BIDDER BERNCO, INC., IN THE AMOUNT OF \$6,249,000, WITH FUNDING AVAILABLE IN THE CAPITAL IMPROVEMENT FUND. FURTHER, TO CONCUR WITH THE RECOMMENDATION OF THE FINANCE DEPARTMENT THAT THE BOARD OF COMMISSIONERS PLACE A MORATORIUM NOT TO CONSIDER ANY NEW CAPITAL IMPROVEMENT PROJECT THAT IS NOT CURRENTLY IN PROCESS FOR THE REMAINDER OF 2007 OR UNTIL THE CASH FLOW SITUATION IN THE CAPITAL IMPROVEMENT FUND IS IMPROVED TO ALLOW FOR NEW PROJECTS.

A lengthy discussion ensued with Mr. Foster and Mr. Abbate pertaining to Phases I and II of this project and its past history. Mr. Foster recalled as indicated in his memorandum and part of the motion is a request for a moratorium on new projects for the rest of the year.

Commissioner Lund asked for an update on the Capital Budget. Mr. Foster indicated that he would provide a copy of the Capital Budget in commissioners mailboxes.

Chair Brown called for a vote on the motion and **THE MOTION CARRIED.**

**RECOMMENDATIONS FROM JUSTICE AND PUBLIC SAFETY COMMITTEE MEETING
OF 08-06-07**

Items (a) and (b) were taken separately.

- a) **Approve Renewal of Macomb Auto Theft Squad Grant for 2008/Prosecuting Attorney**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DiMARIA, SUPPORTED BY SLINDE, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR IN THE REQUEST OF THE PROSECUTOR'S OFFICE AND APPROVE THE RENEWAL OF THE MACOMB AUTO THEFT SQUAD GRANT FOR 2008; REQUIRING A COUNTY MATCH OF \$36,402. FUNDING IS INCLUDED IN THE COUNTY BUDGET. **THE MOTION CARRIED.**

- b) **Approve Renewal of Macomb Auto Theft Squad Grant for 2008/Sheriff's Department**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DUZYJ, SUPPORTED BY CAMPHOUS-PETERSON, TO

RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR IN THE REQUEST OF THE MACOMB COUNTY SHERIFF'S OFFICE AND APPROVE THE RENEWAL OF THE MACOMB AUTO THEFT SQUAD GRANT FOR JANUARY 1 THROUGH SEPTEMBER 30, 2008; REQUIRING A COUNTY MATCH OF \$120,990. FUNDING IS INCLUDED IN THE COUNTY BUDGET. **THE MOTION CARRIED.**

RECOMMENDATION FROM SENIOR CITIZENS COMMITTEE MEETING OF 08-10-07

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DiMARIA, SUPPORTED BY CAMPHOUS-PETERSON, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE CONTINUED FUNDING OF \$10,000 FROM THE COUNTY GENERAL FUND FOR THE GRANDPARENTS RAISING GRANDCHILDREN CLERICAL SUPPORT POSITION. **THE MOTION CARRIED.**

2007 CONTINGENCY ACCOUNT UPDATE

MOTION

A motion was made by Slinde, supported by Joan Flynn, to receive and file the 2007 Contingency Account Update. **The Motion Carried.**

ADJOURNMENT

MOTION

A motion was made by DeSaele, supported by Camphous-Peterson, to adjourn the meeting at 11:09 a.m. **The Motion Carried.**

Denise M. Jacks
Committee Reporter